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NSC BRIEFING

3 May 1955

FORMOSA STRAITS

I. No significant military action in past week.

A. We believe we now have explanation of heavy increase in number of explosions (reported as artillery "sounds") during April at various points on Peiling Peninsula (northwest of Matsus).

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[REDACTED] reported explosions correspond roughly in location with roads and field fortifications under construction on peninsula.

II. We continue to believe Chicoms unlikely to undertake major military operations while exploring possibility of negotiations with US

A. However, we recognize possibility of limited Chicom harassment of islands--conceivably including attacks on isolated islands like Wuchiu--as part of pressure for negotiations.

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III. India's Krishna Menon going to Peiping soon to try clarify Chicom position on negotiations.

A. Menon has recently seemed both sympathetic to Peiping and emotionally disturbed. He may not accurately report Chicom attitude.

B. No word yet on inquiries which British chargé in Peiping was instructed to make last week.

IV. Chicom public statements continue take hard line on substantive issues which any negotiations might discuss.

A. Peiping says no need for cease-fire, as US, China not at war "at present."

B. Says Formosa is "internal" question, implying status of Formosa not negotiable.

C. Says only "international" question is US "intervention," implying only

matter to negotiate is withdrawal of

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US forces.

- D. If US forces withdrawn, Chicoms envisage "peaceful liberation" Formosa along lines of 1949 non-violent transfer of many mainland areas.

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